Meeting Name	E-Government Steering Committee
Meeting Date/Time	September 28, 2000 / 3:00 p.m. – 5:00p.m.
Meeting Location	Department of Transportation Boardroom, Highway Building

Attendees

Steering Committee Members:
Rick Carlisle: chair, Ron Hawley, Rob Lubitz (representing Thomas Ross), David McCoy, Sheron Morgan (representing Marvin Dorman), Lydia Faulkner (representing Wayne McDevitt), Rodney Maddox (representing Elaine Marshall), Edward Renfrow, Steve Davis, Jane Patterson, Martin Lancaster, and Lee Mandell.

Project Team Members:
Sharon Hayes, Tom Runkle, Skip Davis, Denny McGuire, Jeff Eglen, Buffie Rodri, Laura Haakenson, and Douglas Long.

Items Discussed

Call to Order/Opening Remarks:
Secretary Carlisle, Chair, called the meeting to order and welcomed committee members and guests.

Secretary Carlisle stated that the Department of Commerce recently received an award from the National Association of State Information Resource Executives (NASIRE), which recognized the North Carolina Site Search application for the Department of Commerce. He asked Paul Thurston to explain the award.

Paul Thurston, the Department of Commerce Chief Information Officer, stated that this award was presented to the Department of Commerce for its innovative use of the Internet to provide a means of searching for suitable building locations in N.C. He noted that Secretary Carlisle was instrumental with his leadership and guided the Department to receive this honorable award.

Minutes:

The July 27, 2000 meeting minutes were approved as presented.

Review of E-Grant Recommendations:

Secretary Carlisle pointed out to the committee that there were a number of persons sitting in for members of the committee and that the committee would be voting on a number of different e-grant applications and making funding decisions. He suggested that everyone vote with their conscience since many persons were representing other members who represent particular organizations.

Secretary Carlisle stated that the main order of business for the meeting was to review the list of agency requests for e-grant funding and to review the ITS staff recommendations. He noted that there were no bad proposals out of the list and that it was very interesting to look at what different agencies are doing. He also commented that there are a lot of great technological advancements (i.e. web based, transactions, e-forms) being taken advantage of by the agencies. Secretary Carlisle stated that the purpose of the e-grant funding is to help agencies jumpstart E-Government applications for the State of North Carolina. He asked Sharon Hayes, *NC @ Your Service* Project Director, to review the guidelines for applications, the processes followed for reviewing the applications, and the final recommendations for e-grant funding.

Sharon Hayes stated that it was very difficult to review, assess, and make recommendations because all of the applications seemed worthy of funding. She referred to the Explanation of the Process for Analyzing E-Grant Requests document, which was handed out to committee members. She emphasized that the primary intent of the e-grants program was to encourage and assist agencies in the development and implementation of e-government applications that are citizen/business-focused, offer high impact benefits, and produce results in the near term.

Ms. Hayes stated that the major criterion considered was the impact or transformation of state business that the project provided. The agencies certified that they did not have any other funding sources to complete the projects. As part of the application process, the agencies also completed an assessment of the impact of the project and described how it met the statewide E-Government Steering Committee objectives. Ms. Hayes stated that out of the thirty-seven requests, two were withdrawn. This left thirty-five requests that were reviewed by the staff.

Ms. Hayes reviewed the second tier of projects, which were high impact programs, but ones that were not in the final list of recommended projects for the limited funding. Ms. Hayes stated that there were thirteen e-grant applications that were recommended since they provided the biggest impact to the public and met the State's shared vision. She went on to review the 2nd tier and 3rd tier e-grant requests and provided an overall breakdown. Ms. Hayes suggested that the committee refer to the E-Grant Analysis

worksheet to review the e-grants. She stated that a team of ITS senior staff was put together to review the applications and should be able to answer any questions about the e-grant analysis. Each agency also had a representative present to provide additional information (phrasing). Ms. Hayes stated that the recommended thirteen e-grants totaled $4.2 million.

Secretary Carlisle asked why the recommended e-grant requests totaled $200,000 more than the $4 million that was available for allocation.

Ms. Hayes responded that the Project Office would review the scope of work for the thirteen projects and see if there was room for reducing the costs in hardware or software through sharing technical infrastructure or software costs. She indicated that Ron Hawley would be the appropriate person to address whether additional funding could be made available if such reductions were not found.

At Martin Lancaster's request, Ms. Hayes identified the thirteen recommended e-grants to the Steering Committee and matched up the original request numbers with the numbers utilized on the recommendations spreadsheet.

Secretary Carlisle asked if the group would like more details on the recommended tier one projects versus the tier two, three and four e-grant requests that were not recommended. He stated the tier three and four e-grant requests could be taken off the table for review since they did not meet the originally defined criteria.

Rob Lubitz noted that the amount requested was not itemized based on what the money was intended to cover for the e-grant requests and pointed out that there was no outside budget analysis performed on the submitted requests.

Ms. Hayes responded that this was correct.

Mr. Lubitz asked if the risk was assessed.

Ms. Hayes responded that the risks were assessed for each e-grant request by the agencies in their application form.

Ms. Patterson stated that she had seen many of these funding requests previously and asked how Ms. Hayes determined that the E-Grant Fund was truly a last resort for funding.

Ms. Hayes responded that each agency had to certify that the requests were last resorts for funding and the ITS staff took the agencies at their word on the applications.

Ms. Patterson stated that she had seen the Textbook Warehouse Project previously.

Edward Renfrow asked about the timeline for the proposed projects.

Ms. Hayes responded that they would be implemented by the end of June 2001.

Mr. Renfrow asked if the proposed projects would require separate software packages for each implementation.

Ms. Hayes responded that ITS would like the agencies to work together to save by sharing common technical infrastructure and applications where possible.

Mr. Hawley stated that he would like to get all agencies together that are interested in certain common applications and see if the State can save funds by collectively making decisions as an enterprise.

Steve Davis asked what the fiscal impact was on long term costs.

Ms. Hayes responded that each agency had to submit the start-up costs and on-going costs for each project. She continued to indicate that the agencies will assume financial responsibility for the ongoing costs and certified in their application forms that they can cover these costs.

Secretary Carlisle stated that many of the projects were transactions and that the issue of transaction fees would have to be addressed for each application. He asked if the Dept. of Transportation IRP Renewal Project was separate from the Motor Vehicle Registration Project.

Ms. Hayes stated that the IRP Renewal was different from the Motor Vehicle Registration Project.

The DOT representative responded that the IRP Renewal System was a separate project and that it provides for truck registrations. He also indicated that a cost breakdown was provided on the e-grant application.

The DOT technical contact stated that there were approximately fifty different screens that needed to be developed for this application and that this led to significant costs.

Mr. Renfrow asked what sort of process would be used to certify these projects.

Secretary Carlisle responded that all projects would go through the Information Resource Management Commission (IRMC) certification process. This committee would make recommendations to the IRMC, which would consider the projects for certification.

Ms. Patterson asked if the committee could choose several others as buffers in case one or two projects did not make it through the certification process. She stated that she would like to argue very strongly for more citizen-focused services. Ms. Patterson stated that there are several business to government transactions on the list. She indicated that she would like to try to focus on programs that have a high impact to the citizens, such as the Online Campsite and Facility Reservation Project. In addition, she pointed out that there is a secondary impact to each agency for moving operations on-line and increasing the efficiency of the agencies' operations. She said that the Department of Revenue Direct Deposit project did not seem like a very high impact project to her.

Secretary Carlisle asked if there were any questions or concerns about the thirteen recommended e-grant requests.

Ms. Patterson stated that the IRS is already providing direct deposit for tax refunds.

Ms. Hayes stated that the Direct Deposit project could be completed by the end of June 2001, but actual direct deposits for taxes would not be implemented until the next tax year for citizens due to the timing of the business cycle.

Secretary Carlisle stated that the committee would be voting on the recommendations for project funding and that they would be reviewed by the IRMC.

Mr. Renfrow asked for clarification/discussion on the next tier of projects in case any of the first tier projects did not pass the IRMC. He suggested that e-grant listing #18, DENR Commercial License Sales and Renewals, seemed like a small amount of money and if one project was not approved, by selecting a project such as #18, there would probably be enough money to fund an additional project. He then suggested to the committee to move listing eighteen to be listing fourteen in order to address the potential scenario as he had described it.

Dr. Mandell stated that it would be a good idea to select projects that have software that is reusable and a common platform should be taken into consideration.

Secretary Carlisle asked if listing #2, DENR Underground Storage Tracker provided on-line permitting.

Ms. Hayes responded that the project would include on-line permitting.

Secretary Carlisle asked Ms. Hayes to review the first thirteen e-grants and explain the types of projects included (i.e. permitting, licensing, e-forms, reservations) so that the committee would have a better sense of the range of applications.

Ms. Hayes proceeded to explain the business impact for the first thirteen proposed projects.

Mr. Renfrow asked if the number of people impacted listed on the report represented electronic transactions or total transactions.

Ms. Hayes stated that the impacted number is the total of all transactions, as it is difficult to estimate the number of electronic transactions to be generated from these projects.

Secretary Carlisle stated that the Division of Motor Vehicles (DMV) and State Fair are well ahead of their projections in the percentage of electronic transactions being realized.

Ms. Hayes continued to review the specific impacts of each project.

Dr. Mandell stated that it seemed like the Store is one of the categories that did not have any associated applications make the recommended list.

Ms. Hayes responded that this was correct, as the ITS staff felt that the State Fair Tickets Store provided a good model for the online sale of goods. She continued to say that the ITS staff felt it could not justify another project because of the success of the State Fair Tickets Store, which provided the needed pilot project to move forward more smoothly with similar implementations.

Secretary Carlisle stated that when the committee had exhausted all questions, it could consider its recommendations to the IRMC and entertain a motion. He stated that he would not be able to vote on any Department of Commerce Programs, two of which were from the Industrial Commission.

Several other committee members recused themselves as well from voting on projects submitted by their agency.

Dr. Mandell asked if the committee should go back and address the issue of the thirteen recommended e-grant requests being in excess of the $4 million. Mr. Hawley suggested that ITS was not in a position to find more funds. He stated that as the IRMC certification process progressed, the State may obtain a better understanding of the numbers and may be able to reduce costs by sharing the implementation costs. Mr. Hawley stated that there may be some opportunities to cover additional costs down the road.

Ms. Patterson made a recommendation to the committee for request twenty-seven, Industrial Commission's Online Status for Workers' Compensation Claims. She noted that this project would impact 500,000 citizens, which is significant. She stated that she

would like to move this request to the top of tier two so that more citizens might be able to access information on-line. She stated that there were many requests that had on-line forms submissions, and it would be nice for the citizens to see the forms and track their progress.

Mr. Hawley responded that he agrees with Ms. Patterson and has the same outlook for the advantages to be gained through e-forms. He indicated that he will look to this group for guidance or suggestions as ITS embarks on common services to most effectively serve all agencies.

Mr. Lancaster stated that Ms. Patterson had a very valid point. He observed that many people become frustrated when they cannot access information on-line. He asked about the impact of requests being in the second tier if additional funding is made available later. For example, would the second tier requests be allotted the additional funding if any were made available in the future?

Mr. Hawley responded that that would not be his recommendation since technology changes so quickly. With the potential for technology changes and the impending change of administration, he suggested that a similar process be conducted again if additional funding were made available in the future.

Secretary Carlisle asked when the next IRMC meeting was going to take place.

Mr. Hawley said he would present the results of this meeting at the next IRMC meeting on Tuesday.

Mr. Renfrow stated that as ITS is reviewing these projects and the software requirements for each, the State may identify additional savings by sharing the usage across several projects and statewide.

Mr. Hawley responded that this is the effect that he hopes the e-grant process will generate.

Secretary Carlisle asked if all needed project materials would be prepared for IRMC by next Tuesday for certification.

Mr. Hawley stated that he would not be asking for certification from IRMC at next Tuesday's meeting, but would be presenting the results and recommendations from this committee's meeting. After that a certification process would begin.

Ms. Patterson suggested that the committee try to look at the top thirteen e-grant requests a little more closely since the recommended set wouldbe over the allotted funds. She suggested that the Department of Revenue should be allowed to choose on

of their e-grant requests to move forward. The second Department of Revenue request could then be dropped down to tier two.

Secretary Carlisle pointed out that the Industrial Commission also has two requests in the list of thirteen.

Ms. Patterson moved that the committee move listing #10, Department of Revenue Direct Deposit, to the second tier and replace it with the Department of Public Instruction's Textbook Warehouse Project, listing #18.

Dr. Mandell seconded the motion.

Mr. Hawley stated that he would not vote since ITS completed the analysis.

Ms. Patterson stated that the motion would give several hundred thousand dollars back to the e-grant fund and ensure that there was enough money for the thirteen recommended projects.

Secretary Carlisle reiterated that the motion would be to move listing #10, Department of Revenue Direct Deposit, and below the recommended list to the second tier. He indicated that a second motion would be to move the DPI Textbook Warehouse Project up to the top tier of recommended projects. The committee approved the first motion to move the Department of Revenue Direct Deposit project to tier two.

Ms. Lydia Faulkner asked if there was a reason to move listing #18 rather than listing #19, Department of Commerce Tourism Online Grant Applications.

Mr. Renfrow stated that it would be significant to see $6.25 million savings over five years, as provided by the DPI Textbook Warehouse Project.

Dr. Mandell stated that this was one of the few supply chain applications on the list.

Ms. Patterson stated that this project would really impact all students in the state.

Dr. Mandell stated that there have been quite a few comments from the media with regard to textbook distribution. He suggested that if this project would alleviate some of the pressure then it would be a good project to select.

Secretary Carlisle stated that the second motion would be to move request eighteen up to thirteen and in the recommended list. The motion was carried. Secretary Carlisle reviewed the total thirteen and commented that the Department of Revenue Direct Deposit project, listing #10, was now the first in the second tier.

Secretary Carlisle reviewed the process that would take place next. The committee was considering the revised first tier of projects to go to the IRMC to begin the certification process. He then asked if there was a motion to approve the new list of projects #1 – #13. The motion was approved and carried.

Secretary Carlisle stated that the next item that the committee needed to address was the tier two projects. For these projects, the committee needed to consider if it should authorize the second tier of projects and how to approach the listing if some projects in the first tier were not certified. He asked if the committee should authorize the IRMC to move forward with the next projects in the tier two listing in the specified order or should the committee simply wait until after the IRMC meets.

Mr. Lancaster stated that the problem was that the next couple of projects in the second tier were very costly. He continued that it is very likely that if some projects default there may not be enough money to move any forward.

Secretary Carlisle recommended that the committee go forward with the tier one e-grant requests and meet again on November 2nd to review any changes and approve any additional projects as needed.

Mr. Hawley stated that the next IRMC meeting was scheduled for November 9th, so this committee may prefer to wait to have their next meeting a few weeks after the IRMC meets.

Secretary Carlisle asked if everyone was okay with moving the next meeting until after the IRMC meeting so that this committee could review the results of the certification process.

Ms. Patterson stated that listing #26, Department of Commerce Welcome Center Kiosk project, has been discussed for over twenty years and nothing has happened. She stated that she would like to see this project take place in the future since tourism is such a large industry. Ms. Patterson stated that the Dept. of Health and Human Services project to register newborn children is also beneficial, and could lead to paperless medical records. This would have a major impact to the state and she encouraged the other committee members to consider it.

Secretary Carlisle stated that he agreed with Ms. Patterson on her comments.

After a request from the audience for the list of thirteen recommended projects, Ms Hayes dictated them.

Secretary Carlisle stated that the next meeting would be after November 9th and the time and location was to be determined. He stated that there was an upcoming election

and that the committee needs to make sure that its mission and activities are passed on to the new administration to ensure that this sort of initiative continues.

Secretary Carlisle asked if there was any other business. No other business was raised, and the meeting was adjourned.

Next Meeting:
November 21, 2000 from 3:00 p.m. to 5:00 p.m. in the Department of Transportation Boardroom (Highway Building).